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# **FHA Portfolio Analysis**

**Data as of May 2006**

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**Federal Housing Administration Monthly Report  
FHA Portfolios Summary  
May 2006**

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<b>PORTFOLIO</b>	<b>NUMBER</b>	<b>DOLLARS (Billions)</b>	<b>CHANGE FROM PRIOR YEAR</b>
Single Family Insured	3,979,420	\$ 341.1	-10.6%
Multifamily Insured	12,290	\$ 55.8	-1.0%
Title I Property Improvement Insured	33,321	\$ 0.5	-26.0%
Title I Manufactured Housing Insured	26,034	\$ 0.8	-13.4%
Single Family Notes	323	\$ 0.01	-5.0%
Multifamily Notes	2,971	\$ 3.8	0.7%
Accelerated Claims Disposition Notes	3,867	\$ 0.4	-53.9%
Title I Notes	23,908	\$ 0.3	-15.7%
Single Family Properties	30,874	\$ 3.1	2.0%
Multifamily Properties	1	\$ -	N/A

## ***Multifamily Insured Portfolio***

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### **Endorsements**

- Through the eighth month of FY 2006, FHA endorsed a total of 577 multifamily mortgages compared to 598 multifamily mortgages reported during the same period a year ago.
- For the month of May, new construction and substantial rehabilitation mortgages totaled 13 for \$126.7 million.
- Fiscal year to-date, the number of Section 221(d)(4) mortgages was 139 insured for \$787.1 million.

### **Insurance-in-Force**

- As of May 31, 2006, the dollar volume of FHA's multifamily insurance-in-force was \$55.8 billion, 1 percent less than the balance reported for the same period a year ago.
- Since May 31, 2005, the number of FHA multifamily insured mortgages declined more than 3.6 percent to 12,290.

### **Prepayments**

- Through May of this fiscal year, the number of prepayments totaled 633 for \$2.6 billion, compared to 649 prepayments for \$2 billion for the same period during FY 2005.

### **Claims**

- The number of claims processed through the end of May 2006 was 126 for \$424.6 million, compared to 214 claims for \$795.9 million for the same period a year ago.

**Federal Housing Administration Monthly Report**  
**Multifamily Insured Portfolio**

	Current Month May 2006			Current FYTD Oct 2005 - May 2006			Prior FYTD Oct 2004 - May 2005			Percent Change Dollars
	Number	Units	Dollars (\$M)	Number	Units	Dollars (\$M)	Number	Units	Dollars (\$M)	
<b>Insurance in Force(Beginning)</b>	<b>12,317</b>	<b>1,456,214</b>	<b>\$55,848.6</b>	<b>12,581</b>	<b>1,497,273</b>	<b>\$56,426.6</b>	<b>13,108</b>	<b>1,561,187</b>	<b>\$55,996.1</b>	<b>0.8%</b>
<b>FY Prepayments(-)</b>	(85)	(10,214)	(\$247.5)	(633)	(79,959)	(\$2,573.8)	(649)	(78,609)	(\$2,022.0)	27.3%
<b>FY Claim Terminations(-)</b>	(21)	(2,145)	(\$107.0)	(126)	(12,715)	(\$424.6)	(214)	(22,883)	(\$795.9)	-46.7%
<b>FY Endorsements(+)</b>	88	9,577	\$441.5	577	62,165	\$3,417.2	598	70,960	\$4,238.7	-19.4%
FY Endorsements by Mortgage type										
New Construction/Sub Rehab	13	2,145	\$126.7	124	16,449	\$1,027.2	175	27,051	\$2,292.6	-55.2%
Refinance	61	6,377	\$302.9	375	40,464	\$2,259.9	294	33,928	\$1,603.6	40.9%
Supplemental/Equity	1	0	\$1.3	6	0	\$65.9	5	0	\$200.1	-67.1%
Operating Loss	1	0	\$1.0	1	0	\$1.0	1	0	\$2.0	-50.5%
Portfolio Re-engineering	12	1,055	\$9.6	71	5,252	\$63.3	123	9,981	\$140.4	-54.9%
FY Endorsements by Program type										
Rental Housing										
Section 221(d)(3) & 236	5	804	\$10.4	48	2,532	\$84.9	26	1,697	\$60.8	39.6%
Section 221(d)(4)	22	2,677	\$85.1	139	16,606	\$787.1	272	30,972	\$1,407.9	-44.1%
Other Rental	35	3,388	\$156.0	216	24,785	\$1,135.0	127	16,803	\$684.0	65.9%
Risk Share	5	499	\$20.6	53	5,653	\$256.3	59	8,038	\$402.0	-36.2%
Health Care Facilities										
Nursing Homes	12	1,496	\$108.9	77	9,615	\$831.4	72	9,694	\$515.2	61.4%
BoardCare	1	72	\$4.0	6	480	\$34.9	2	181	\$5.6	526.0%
Assisted Living	8	641	\$56.4	36	2,469	\$200.7	34	2,465	\$181.7	10.5%
Hospitals	0	0	\$0.0	2	25	\$86.9	6	1,110	\$981.4	-91.1%
<b>Prior FY Prepayments(-)</b>	(8)	(1,098)	(\$51.6)	(112)	(15,216)	(\$460.4)	(102)	(12,652)	(\$511.0)	
<b>Prior FY Claims(-)</b>	0	0	\$0.0	(2)	(98)	(\$2.5)	(3)	(216)	(\$6.3)	
<b>Prior FY Endorsements(+)</b>	0	0	\$0.0	4	467	\$27.2	1	254	\$20.8	
<b>Adjustments</b>	(1)	(40)	(\$85.9)	1	377	(\$611.7)	6	(74)	(\$581.4)	
<b>Insurance in Force(Ending)</b>	<b>12,290</b>	<b>1,452,294</b>	<b>\$55,798.1</b>	<b>12,290</b>	<b>1,452,294</b>	<b>\$55,798.1</b>	<b>12,745</b>	<b>1,517,967</b>	<b>\$56,339.0</b>	<b>-1.0%</b>

Note: Dollars represent original mortgage amount for endorsements and unpaid principal balance for insurance in force and terminations.  
Units are not counted for Supplemental, Equity or Operating Loss mortgages.

## ***Multifamily Notes and Properties***

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### **Notes**

- As of May 31, 2006, the multifamily note inventory when compared to the same period last year had increased less than one percent in dollars to \$3.7 billion and 2.9 percent in number from 2,888 to 2,971 notes.
- As of May 31, 2006, multifamily note assignments had decreased to 177 from 306 note assignments reported for the same period a year ago and the dollar amount of the notes assigned was \$444.8 which was 40.9 percent below the dollar amount reported for the same period a year ago.

### **Properties**

- The balance of the property inventory was 1 with no cost to HUD; which is no change from the inventory and cost for the same period a year ago.

**Federal Housing Administration Monthly Report**  
**Multifamily Notes and Properties**

	Current Month May 2006			Current FYTD Oct 1, 2005-May 2006			Prior FYTD Oct 1, 2004 - May 2005			Percent Change Dollars
	Number	Units	Dollars (\$M)	Number	Units	Dollars (\$M)	Number	Units	Dollars (\$M)	
<b>Notes(Beginning)</b>	<b>2,959</b>	<b>224,825</b>	<b>\$3,686.2</b>	<b>2,942</b>	<b>225,507</b>	<b>\$3,717.2</b>	<b>2,781</b>	<b>209,969</b>	<b>\$3,602.7</b>	<b>3.2%</b>
Pay Offs(-)	(5)	(449)	(\$17.4)	(50)	(4,106)	(\$102.5)	(70)	(4,157)	(\$101.3)	1.2%
Conversions(-)	0	0	\$0.0	(6)	(1,710)	(\$55.6)	(7)	(557)	(\$21.0)	165.1%
Sales(-)	(3)	(54)	(\$2.2)	(41)	(6,411)	(\$228.8)	(80)	(10,828)	(\$495.3)	-53.8%
Assignments/Seconds(+)	23	2,168	\$96.3	177	16,737	\$444.8	306	29,741	\$752.7	-40.9%
Assignments/Seconds by type										
Portfolio Re-engineering	16	1,270	\$26.4	111	8,220	\$132.0	219	16,192	\$272.4	-51.5%
Other Assignments	7	898	\$69.9	66	8,517	\$312.8	87	13,549	\$480.4	-34.9%
Adjustments	(3)	(132)	(\$1.6)	(51)	(3,659)	(\$13.7)	(42)	(2,857)	(\$1.1)	
<b>Notes(Ending)</b>	<b>2,971</b>	<b>226,358</b>	<b>\$3,761.3</b>	<b>2,971</b>	<b>226,358</b>	<b>\$3,761.3</b>	<b>2,888</b>	<b>221,311</b>	<b>\$3,736.8</b>	<b>0.7%</b>
<b>Properties(Beginning)</b>	<b>1</b>	<b>0</b>	<b>\$0.0</b>	<b>1</b>	<b>0</b>	<b>\$0.0</b>	<b>2</b>	<b>315</b>	<b>\$7.4</b>	<b>-100.0%</b>
Conversions(+)	0	0	\$0.0	5	1,710	\$56.4	5	453	\$21.2	166.0%
Sales(-)	0	0	\$0.0	(5)	(1,710)	(\$56.4)	(6)	(768)	(\$28.5)	97.9%
<b>Properties(Ending)</b>	<b>1</b>	<b>0</b>	<b>\$0.0</b>	<b>1</b>	<b>0</b>	<b>\$0.0</b>	<b>1</b>	<b>0</b>	<b>\$0.0</b>	<b>N/A</b>

Note: Dollars represent assignment amount for notes and acquisition cost for properties; Data for notes are from Apr 20-May 20 for current month and from Oct 1-May 20 for FYTD.

Data for properties are from May 1-May 31 for current month and from Oct 1-May 31 for FYTD

Units are not counted for Supplemental, Equity, or Operating Loss mortgages that are not in the first position.

The remaining property in the inventory is a Title X Land Development property, it lists an acquisition cost of \$1 and has no units.

## *Single Family Insured Portfolio*

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### **Insurance-in-Force**

- From the end of May 2005 to the end of May 2006, FHA single family insurance-in-force decreased by 471,229 insured mortgages. This was a drop of 11 percent to 3,979,420 in number of active mortgages.
- At the end of May 2006, the dollar amount of insurance-in-force had decreased 8.1 percent compared to a year ago.

### **Prepayments**

- Eight months into this fiscal year, single family prepayments totaled 493,995; 28 percent below the number of prepayments reported during this same period in FY 2005.

### **Claims**

- Single family claim terminations processed through the end of May 2006, have decreased 21 percent to 39,758 compared to the number of claims processed during the same period a year ago.

### **Endorsements**

- Through the eighth month of FY 2006, FHA endorsed 277,954 mortgages, totaling \$35.3 billion, 21 percent under the number reported during the same period a year ago.
- Eight months into this fiscal year, Mutual Mortgage Insurance Fund endorsements decreased by 20 percent to 260,842 from 326,924 reported during the same period last fiscal year.
- October through May of FY 2006, the number of condominium mortgages decreased by 29 percent to 14,764 compared to 20,771 reported for the same period during FY 2005.
- Loans to purchase and improve homes under Section 203(k) decreased 10 percent to 1,870 through May of FY 2006 compared to 2,080 reported during the same period last year.
- Fiscal year to-date, the number of adjustable rate mortgages (ARM's) was 8,434, a decrease of 80 percent compared to the same period during the prior fiscal year; fixed rate mortgages (FRM's) decreased 13 percent to 269,520 mortgages.
- Refinancings have decreased 34 percent in number from 114,668 through May of FY 2005 to 75,527 during the same period for FY 2006.
- Through May of FY 2006, the number of HECM endorsements totaled 47,154 for \$7.4 billion, a 74 percent increase over the 27,150 mortgages for \$3.8 billion reported through May of FY 2005. Fiscal year to-date, HECM refinancings totaled 3,094.

**Federal Housing Administration Monthly Report**  
**Single Family Insured Portfolio**

	Current Month May 2006		Current FYTD Oct 2005 - May 2006		Prior FYTD Oct 2004 - May 2005		Percent Change (Number)
	Number	Dollars (\$M)	Number	Dollars (\$M)	Number	Dollars (\$M)	
<b>Insurance-in-Force (Beginning)</b>	4,002,087	\$ 342,295.6	4,238,032	\$ 359,264.9	4,844,634	\$ 404,872.0	-13%
Prepayments(-)	(55,577)	\$ (4,921.1)	(493,995)	\$ (44,701.7)	(690,812)	\$ (66,668.8)	-28%
Claim Terminations(-)	(5,196)	\$ (477.5)	(39,758)	\$ (3,566.4)	(50,499)	\$ (4,523.1)	-21%
Endorsements(+)	40,992	\$ 5,467.8	277,954	\$ 35,314.2	350,306	\$ 41,588.3	-21%
<i>Endorsements by Program</i>							
MMIF	38,691	\$ 5,140.1	260,842	\$ 32,967.4	326,924	\$ 38,658.0	-20%
GIF/SRIF	2,301	\$ 327.7	17,112	\$ 2,346.9	23,382	\$ 2,930.3	-27%
234 Condo	1,974	\$ 281.5	14,764	\$ 2,021.8	20,771	\$ 2,570.9	-29%
203(k) Improvement	264	\$ 36.8	1,870	\$ 261.0	2,080	\$ 301.5	-10%
Other	63	\$ 9.3	478	\$ 64.1	531	\$ 57.9	-10%
<i>Endorsements by Type</i>							
Adjustable Rate Mortgages	777	\$ 128.4	8,434	\$ 1,304.1	42,216	\$ 6,120.2	-80%
Fixed Rate Mortgages	40,215	\$ 5,339.3	269,520	\$ 34,010.1	308,090	\$ 35,468.2	-13%
<i>Endorsements by Purpose</i>							
Refinancings	10,900	\$ 1,570.9	75,527	\$ 10,002.1	114,668	\$ 13,161.1	-34%
Purchases	30,092	\$ 3,896.8	202,427	\$ 25,312.1	235,638	\$ 28,427.3	-14%
<i>Endorsements by Credit Processing*</i>							
FHA	NA	NA	NA	NA	NA	NA	
FHLMC Scorecard	NA	NA	NA	NA	NA	NA	
FNMA Scorecard	NA	NA	NA	NA	NA	NA	
Adjustments	(2,886)	\$ (1,266.3)	(2,813)	\$ (5,212.5)	(2,980)	\$ (4,152.0)	
<b>Insurance-in-Force (Ending)</b>	3,979,420	\$ 341,098.5	3,979,420	\$ 341,098.5	4,450,649	\$ 371,116.4	-11%

Note: Dollars represent unpaid balance.

\* Data Source for HECM is the HECM Detail Case



## ***Single Family Notes and Properties***

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### **Notes**

- As of the end of May 2006, the single family notes inventory was 5 percent less than the number at the end of the same period in FY 2005.
- Through May 2006 the number of assigned purchase money mortgage notes was 136 compared to just 1 assigned during the first eight months of FY 2005.

### **Accelerated Claims Disposition Notes**

- Liquidations of REO in the first eight months of FY 2006 averaged more than 200 per month, while the count of notes liquidated averaged more than 230 per month over the same period.
- Additions to the inventory have averaged more than 235 per month in the first eight months of FY 2006.
- The inventory of notes at the end of May 2006 was down nearly 29 percent from the end of September 2005.

### **Properties**

- The single family property inventory had 30,874 properties at the end of May 2006, an increase of 2 percent over a year ago.
- Property sales numbered 32,780 through May 2006, compared to 37,178 for the same period in FY 2005.
- During the month of May 2006, sales exceeded conveyances by 11.5 percent.

**Federal Housing Administration Monthly Report**  
**Single Family Notes and Properties**

	Current Month May 2006		Current FYTD Oct 2005 - May 2006		Prior FYTD Oct 2004 - May 2005		Percent Change (Number)
	Number	Dollars (\$M)	Number	Dollars (\$M)	Number	Dollars (\$M)	
<b>Notes (Beginning)</b>	345	\$ 11.8	318	\$ 11.7	398	\$ 14.4	-20%
Pay-Offs(-)	(33)	\$ (1.0)	(128)	\$ (7.0)	(50)	\$ (0.9)	156%
Conversions(-)	(1)	\$ -	(16)	\$ -	(21)	\$ -	-24%
Sales(-)	-	\$ -	-	\$ -	-	\$ -	
Assignments MNA(+)	-	\$ -	10	\$ 0.3	3	\$ 0.2	
Assignments PMM(+)	15	\$ 0.5	136	\$ 7.1	1	\$ 0.1	
Adjustments	(3)	\$ (0.1)	3	\$ (0.9)	9	\$ (1.3)	
<b>Notes (Ending)</b>	323	\$ 11.2	323	\$ 11.2	340	\$ 12.4	-5%
<b>Accelerated Claims Disposition Notes (Beginning)</b>	3,986	\$ 425.6	5,431	\$ 582.3	5,108	\$ 475.8	6%
Liquidations REO	(240)	\$ (25.5)	(1,608)	\$ (162.1)	(1,612)	\$ (142.3)	0%
Liquidations Notes	(66)	\$ (7.3)	(1,846)	\$ (205.6)	(1,759)	\$ (194.6)	5%
Additions	190	\$ 19.7	1,894	\$ 197.8	6,662	\$ 742.0	-72%
Repurchases and Write-Offs	(3)	\$ (0.6)	(4)	\$ (0.5)	(10)	\$ (1.4)	-60%
<b>Accelerated Claims Disposition Notes (Ending)</b>	3,867	\$ 411.8	3,867	\$ 411.8	8,389	\$ 879.5	-54%
<b>Properties (Beginning)</b>	31,400	\$ 3,157.8	28,888	\$ 2,860.6	26,808	\$ 2,572.7	8%
Sales(-)	(4,853)	\$ (489.5)	(32,780)	\$ (3,306.6)	(37,178)	\$ (3,664.6)	-12%
Conversions(+)	1	\$ -	16	\$ -	21	\$ -	-24%
Conveyances(+)	4,351	\$ 439.0	34,852	\$ 3,517.2	40,577	\$ 4,001.7	-14%
Adjustments	(25)	\$ 7.1	(102)	\$ 43.2	42	\$ 73.9	
<b>Properties (Ending)</b>	30,874	\$ 3,114.4	30,874	\$ 3,114.4	30,270	\$ 2,983.7	2%

Note: Dollars represent unpaid balance for notes and acquisition cost for properties.

## *Single Family Detail*

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### **Defaults**

- At the end of April 2006, FHA's single family default rate reached a high of 6.70 percent, compared to 5.96 percent for the same period a year ago.
- The 50 metropolitan statistical areas (MSAs) with the highest default rates as of April 2006 accounted for 38 percent of the national total of defaults.
- 14 of the MSAs in the top 50 that have endorsed ARMS have higher default rates on FRMs than on ARMs.

### **Loss Mitigation Activity**

- The use of forbearance agreements to keep borrowers in their homes dropped 24 percent to a total of 13,937 for the first eight months of this fiscal year compared to 18,306 times, during the same period a year ago.
- October 2005 through May FY 2006, lenders used loan modifications a total of 22,774 times compared to 28,828 times during the same period last fiscal year.
- Lenders used partial claims a total of 9,979 times during the first eight months of FY 2006, compared to 10,229 times for the same period last fiscal year.

### **Insurance Claims**

- Through the month of May of this fiscal year, pre-foreclosure sales were 3, 202, a drop of 12 percent compared to the same period a year ago; deeds-in-lieu decreased 11 percent to 190, compared to the first eight months of FY 2005 when it was 214.
- Conveyance foreclosure claims numbered 34,693 during the first eight months of FY 2006, a decrease of 15 percent compared to the same period during FY 2005 when the number was 40,779.

**Federal Housing Administration Monthly Report**  
***Single Family Detail***

	Current Month May 2006 Number	Current FYTD Oct 2005 - May 2006 Number	Prior FYTD Oct 2004 - May 2005 Number	Percent Change
<b>Status of Insurance-in-Force*</b>				
Current	3,733,914	3,733,914	4,229,827	-12%
In Default (90 or more days delinquent)	268,173	268,173	267,910	0%
Total Insurance-in-Force	4,002,087	4,002,087	4,497,737	-11%
Default Rate	6.70%	6.70%	5.96%	
<b>Loss Mitigation Activity **</b>				
Forbearance Agreements	1,849	13,937	18,306	-24%
Loan Modifications	3,755	22,774	28,828	-21%
Partial Claims	1,529	9,979	10,229	-2%
Total	7,133	46,690	57,363	-19%
<b>Insurance Claims</b>				
Conveyance Foreclosure	4,451	34,693	40,779	-15%
Pre-Foreclosure Sale	464	3,202	3,627	-12%
Deed-in-Lieu of Foreclosure	19	190	214	-11%
Other***	262	1,673	5,879	-72%
Total	5,196	39,758	50,499	-21%

\*April data: May data are not available until after June 30, 2006.

\*\*Counts are based on settlement dates of loss mitigation claims.

\*\*\*Accelerated Claims Disposition Demonstration Program (601)

**Federal Housing Administration Monthly Report**  
**Single Family Detail (continued)**

**MSA's With The Highest Single Family Default Rates**  
**(Data as of April 2006)**

Rank	MSA Name	Default Rates						Total IIF			Defaults		
		Current Year Apr. 2006			Prior Year Apr. 2005			Current Year Apr. 2006	Prior Year Apr. 2005	Percent Change	Current Year Apr. 2006	Prior Year Apr. 2005	Percent Change
		Total	FRM	ARM	Total	FRM	ARM						
1	NEW ORLEANS, LA	27.31	27.14	35.82	7.58	7.52	10.47	26,832	35,003	-23%	7,329	2,653	176%
2	HATTIESBURG, MS	21.31	20.68	52.17	7.50	7.66	0.00	1,164	1,094	6%	248	82	202%
3	BILOXI-GULFPORT-PASCAGOULA, MS	20.21	19.92	28.57	5.64	5.58	7.32	5,477	5,997	-9%	1,107	338	228%
4	BEAUMONT-PORT ARTHUR, TX	18.35	18.44	6.06	5.64	5.66	2.78	4,573	4,610	-1%	839	260	223%
5	LAKE CHARLES, LA	15.87	15.90	13.33	4.58	4.62	0.00	1,355	1,464	-7%	215	67	221%
6	MOBILE, AL	15.46	15.47	15.02	6.82	6.79	7.80	11,210	11,752	-5%	1,733	802	116%
7	HOUMA, LA	14.86	14.66	21.74	5.93	5.97	4.55	1,622	1,585	2%	241	94	156%
8	BATON ROUGE, LA	12.87	12.84	14.35	8.29	8.35	5.46	13,434	14,554	-8%	1,729	1,207	43%
9	CLEVELAND-LORAIN-ELYRIA, OH	12.53	12.37	14.66	11.93	11.89	12.38	32,001	33,708	-5%	4,009	4,022	0%
10	JACKSON, MS	12.34	12.15	19.51	6.49	6.46	7.66	17,066	17,876	-5%	2,106	1,160	82%
11	MEMPHIS, TN-AR-MS	12.27	12.22	13.22	12.14	12.15	12.00	51,825	56,916	-9%	6,357	6,910	-8%
12	GARY, IN	11.94	11.85	13.30	10.50	10.53	9.99	13,379	14,212	-6%	1,597	1,492	7%
13	VINELAND-MILLVILLE-BRIGETON, NJ	11.89	11.79	14.17	11.67	11.65	12.14	3,071	3,592	-15%	365	419	-13%
14	YOUNGSTOWN-WARREN, OH	11.80	11.66	15.28	10.86	10.86	10.90	6,059	6,372	-5%	715	692	3%
15	TERRE HAUTE, IN	11.55	11.54	11.91	8.84	9.12	0.00	1,463	1,346	9%	169	119	42%
16	BIRMINGHAM, AL	11.32	11.29	11.79	9.45	9.55	7.93	20,439	22,474	-9%	2,313	2,123	9%
17	TOLEDO, OH	11.28	11.35	10.38	10.42	10.59	8.33	4,511	4,903	-8%	509	511	0%
18	DETROIT, MI	11.18	11.58	8.59	9.79	10.42	6.09	64,601	70,608	-9%	7,220	6,915	4%
19	TUSCALOOSA, AL	10.72	10.89	9.09	7.81	7.76	8.48	2,883	2,790	3%	309	218	42%
20	PHILADELPHIA, PA-NJ	10.66	10.59	12.06	10.53	10.48	11.43	77,885	92,281	-16%	8,306	9,717	-15%
21	LAFAYETTE, LA	10.21	10.27	5.26	4.97	5.00	2.38	2,968	2,981	0%	303	148	105%
22	FLINT, MI	10.09	10.08	10.31	8.53	8.63	7.00	9,304	10,000	-7%	939	853	10%
23	GALVESTON-TEXAS CITY, TX	10.00	10.10	6.67	5.71	5.79	2.82	5,430	5,565	-2%	543	318	71%
24	TRENTON, NJ	10.00	9.70	14.12	10.65	10.45	13.13	3,841	4,414	-13%	384	470	-18%
25	CHATTANOOGA, TN-GA	9.88	9.93	8.14	8.38	8.46	5.96	8,472	9,129	-7%	837	765	9%

**Federal Housing Administration Monthly Report  
Single Family Detail (continued)**

**MSA's With The Highest Single Family Default Rates  
(Data as of April 2006)**

Rank	MSA Name	Default Rates						Total IIF			Defaults		
		Current Year Apr. 2006			Prior Year Apr. 2005			Current Year Apr. 2006	Prior Year Apr. 2005	Percent Change	Current Year Apr. 2006	Prior Year Apr. 2005	Percent Change
		Total	FRM	ARM	Total	FRM	ARM						
26	NEWBURGH, NY-PA	9.87	10.05	5.80	9.86	9.88	9.41	1,591	1,927	-17%	157	190	-17%
27	SHREVEPORT-BOSSIER CITY, LA	9.81	9.74	13.86	7.46	7.48	6.14	10,106	10,997	-8%	991	820	21%
28	COLUMBUS, OH	9.70	9.60	10.64	8.78	8.78	8.77	44,373	47,215	-6%	4,303	4,145	4%
29	ROCKFORD, IL	9.59	9.42	12.05	9.54	9.47	10.43	7,995	8,427	-5%	767	804	-5%
30	INDIANAPOLIS, IN	9.55	9.39	10.89	8.79	8.84	8.41	60,565	63,168	-4%	5,781	5,552	4%
31	RACINE, WI	9.52	9.10	13.89	7.84	7.91	7.18	2,016	2,142	-6%	192	168	14%
32	ATLANTA, GA	9.48	9.46	9.64	8.57	8.74	7.39	138,852	149,247	-7%	13,164	12,787	3%
33	ATLANTIC-CAPE MAY, NJ	9.46	9.22	13.22	9.47	9.29	12.02	4,798	5,948	-19%	454	563	-19%
34	HOUSTON, TX	9.39	9.39	9.46	6.87	6.89	6.12	88,404	92,648	-5%	8,298	6,361	30%
35	CANTON-MASSILLON, OH	9.33	9.35	9.208	7.16	7.36	5.44	4,490	4,511	0%	419	323	30%
36	NEWARK, NJ	9.27	9.18	10.41	9.52	9.66	7.90	15,322	19,733	-22%	1,421	1,878	-24%
37	BRAZORIA, TX	9.15	9.19	7.45	5.82	5.88	3.13	4,601	4,586	0%	421	267	58%
38	KOKOMO, IN	9.11	8.98	10.91	7.21	7.17	7.76	1,646	1,733	-5%	150	125	20%
39	HAMILTON-MIDDLETOWN, OH	9.11	9.09	9.26	9.20	9.27	8.80	5,601	5,943	-6%	510	547	-7%
40	MONROE, LA	9.08	9.08	9.09	7.62	7.67	0.00	2,048	2,309	-11%	186	176	6%
41	CINCINNATI, OH-KY-IN	8.98	8.83	10.37	8.59	8.63	8.33	25,245	26,311	-4%	2,266	2,261	0%
42	PASCAGOULA, MS	8.97	8.83	25.00	3.70	3.73	0.00	457	594	-23%	41	22	86%
43	AKRON, OH	8.94	8.85	10.29	8.57	8.64	7.65	9,863	10,263	-4%	882	879	0%
44	READING, PA	8.75	8.57	12.37	8.73	8.55	12.02	3,875	4,445	-13%	339	388	-13%
45	DAYTON-SPRINGFIELD, OH	8.67	8.53	10.24	8.38	8.31	9.13	19,861	20,667	-4%	1,721	1,732	-1%
46	SAGINAW-BAY CITY-MIDLAND, MI	8.64	8.65	8.51	7.72	7.90	5.39	5,958	6,088	-2%	515	470	10%
47	COLUMBIA, SC	8.60	8.27	14.20	7.40	7.18	10.69	11,305	11,899	-5%	972	880	10%
48	ARECIBO, PR	8.53	8.53	0.00	6.59	6.59	0.00	1,535	1,761	-13%	131	116	13%
49	CHICAGO, IL	8.41	8.12	9.91	8.16	8.17	8.11	90,887	109,005	-17%	7,644	8,893	-14%
50	MANSFIELD, OH	8.25	8.58	4.58	7.97	8.04	7.29	1,576	1,531	3%	130	122	7%

Source SFDW

Data as of April 2006

## ***Title I Portfolios***

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### **Insurance-in-Force**

- Property improvement insurance-in-force in May 2006 declined to 33,321 loans, down 26 percent from this same period last fiscal year.
- Manufactured housing insurance-in-force declined to 26,034 loans, a drop of 13 percent from this same period a year ago.

### **Prepayments**

- Property improvement loan prepayments for the first eight months of FY 2006 decreased 31 percent compared to the number reported for the same period last fiscal year.
- Manufactured housing loan prepayments decreased 35 percent during the first eight months of this fiscal year, compared to the number reported for the same period in the prior fiscal year.

### **Claims**

- For the first eight months of FY 2006, property improvement claim terminations processed decreased by 49 percent compared to the same period in FY 2005.
- During these eight months, the number of manufactured housing claims processed decreased 24 percent compared to the number reported for this same period in FY 2005.

### **Endorsements**

- Property improvement endorsements were down 10 percent to 2,085 for the first eight months of FY 2006, compared to 2,324 for this same period in FY 2005.
- During the first eight months of FY 2006, there were 982 manufactured housing endorsements, down 26 percent from the 1,333 reported in the corresponding period of FY 2005.

### **Notes**

- The Title I note portfolio included 23,908 notes after the first eight months of FY 2006, compared to 28,373 at this same time in the previous fiscal year.
- During the first eight months of FY 2006, a total of 2,092 Title I note collection cases were closed, 38 percent fewer than the 3,356 cases closed during the same period in FY 2005.

**Federal Housing Administration Monthly Report**  
***Title I Portfolios***

	Current Month May 2006		Current FYTD Oct 2005 - May 2006		Prior FYTD Oct 2004 - May 2005		Percent Change (Number)
	Number	Dollars (\$M)	Number	Dollars (\$M)	Number	Dollars (\$M)	
<b>Insurance-in-Force (Beginning)</b>							
Property Improvement	34,381	\$ 500.2	55,524	\$ 796.0	81,672	\$ 1,185.6	-32%
Manufactured Housing	26,335	\$ 755.7	33,707	\$ 900.7	37,980	\$ 987.6	-11%
Prepayments(-)							
Property Improvement	(1,199)	(16)	(8,283)	(113)	(11,944)	\$ (168.0)	-31%
Manufactured Housing	(436)	(10)	(3,061)	(73)	(4,718)	\$ (110.8)	-35%
Claim Terminations(-)							
Property Improvement	(11)	(0)	(276)	(4)	(537)	\$ (7.1)	-49%
Manufactured Housing	(3)	(0)	(200)	(6)	(263)	\$ (7.9)	-24%
Endorsements(+)							
Property Improvement	356	\$ 4.7	2,085	\$ 29.3	2,324	\$ 32.4	-10%
Manufactured Housing	162	\$ 6.1	982	\$ 36.7	1,333	\$ 47.2	-26%
Adjustments							
Property Improvement	(206)	\$ (2.4)	(15,729)	\$ (222.6)	(26,476)	\$ (394.4)	
Manufactured Housing	(24)	\$ (0.6)	(5,394)	\$ (107.2)	(4,256)	\$ (86.6)	
<b>Insurance-in-Force (Ending)</b>							
Property Improvement	33,321	\$ 486.5	33,321	\$ 486.5	45,039	\$ 648.6	-26%
Manufactured Housing	26,034	\$ 751.0	26,034	\$ 751.0	30,076	\$ 829.6	-13%
<b>Notes (Beginning)</b>	24,157	\$ 329.9	26,407	\$ 352.8	32,094	\$ 418.5	-18%
New Cases Assigned(+)	62	\$ 0.7	590	\$ 6.0	795	\$ 8.0	-26%
Interest Accrual(+)	N/A	\$ 1.0	N/A	\$ 8.5	N/A	\$ 10.3	
Net Collections(-)	N/A	\$ (2.6)	N/A	\$ (15.0)	N/A	\$ (20.4)	
Cases Closed(-)	(214)	\$ (1.2)	(2,092)	\$ (16.0)	(3,356)	\$ (32.8)	-38%
Adjustments	(97)	\$ (0.7)	(997)	\$ (9.3)	(1,160)	\$ (2.5)	
<b>Notes (Ending)</b>	23,908	\$ 327.0	23,908	\$ 327.0	28,373	\$ 381.1	-16%

Note: Dollars represent original loan proceeds for insurance-in-force and unpaid balance for notes.  
The May Title I portfolio includes cases classified as Currently Not Collectible (13,769 totaling \$219.86 million).



## *Commitments and GI/SRI Credit Subsidy*

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### **MMIF**

- MMIF commitments equaled \$33.0 billion through the eighth month of FY 2006.
- The MMIF commitment authority is \$185 billion for FY 2006.

### **GIF/SRIF**

- GIF/SRIF commitments, which, for multifamily programs, include only those programs that are in positive credit subsidy risk Categories, total \$9.8 billion through the eighth month of FY 2006.
- The GIF/SRIF commitment authority is \$35 billion for FY 2006.

### **GI/SRI Credit Subsidy**

- FHA used \$2 million in credit subsidy through the eighth month of FY 2006.
- FHA authority is \$18.7 million for FY 2006.

**Federal Housing Administration Monthly Report**  
**Commitments & Credit Subsidy**  
**By Program and Month: FY 2006**

*Dollars in Millions*

**Commitments**

<b>Fiscal Year 2006</b>	<b>MMIF</b>	<b>GI/SRIF Total</b>	<b>Section 234</b>	<b>Section 203(k)</b>	<b>GI/SRI Other SF*</b>	<b>Title I Property Improvement</b>	<b>Title I Mobile Homes</b>	<b>GI/SRIF Multifamily**</b>
Oct	\$ 4,327.790	\$ 1,081.608	\$ 287.055	\$ 35.613	\$ 749.833	\$ 4.773	\$ 4.334	\$ -
Nov	\$ 4,006.424	\$ 1,088.601	\$ 271.527	\$ 37.865	\$ 770.366	\$ 4.052	\$ 3.816	\$ 0.975
Dec	\$ 3,752.812	\$ 1,062.164	\$ 244.099	\$ 31.284	\$ 765.123	\$ 2.976	\$ 3.430	\$ 15.252
Jan	\$ 3,974.148	\$ 1,145.279	\$ 255.103	\$ 33.621	\$ 845.781	\$ 3.307	\$ 5.265	\$ 2.203
Feb	\$ 3,075.869	\$ 1,122.708	\$ 200.897	\$ 23.606	\$ 890.402	\$ 2.570	\$ 4.266	\$ 0.968
Mar	\$ 4,461.503	\$ 1,396.411	\$ 245.275	\$ 29.503	\$ 1,111.692	\$ 3.241	\$ 4.497	\$ 2.203
Apr	\$ 4,228.740	\$ 1,361.208	\$ 236.299	\$ 32.650	\$ 1,082.461	\$ 3.644	\$ 5.041	\$ 1.112
May	\$ 5,140.078	\$ 1,562.235	\$ 281.548	\$ 36.843	\$ 1,233.035	\$ 4.735	\$ 6.074	\$ -
Jun	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Jul	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Aug	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sep	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>FYTD 2006 Total</b>	<b>\$ 32,967.365</b>	<b>\$ 9,820.214</b>	<b>\$ 2,021.803</b>	<b>\$ 260.984</b>	<b>\$ 7,448.694</b>	<b>\$ 29.297</b>	<b>\$ 36.723</b>	<b>\$ 22.713</b>
<b>FY 2005 Total</b>	<b>\$ 57,484.377</b>	<b>\$ 10,645.270</b>	<b>\$ 36,825.801</b>	<b>\$ 415.599</b>	<b>\$ 6,287.786</b>	<b>\$ 50.272</b>	<b>\$ 65.813</b>	<b>\$ 8.533</b>
<b>FY 2006 Annualized</b>	<b>\$ 49,451.047</b>	<b>\$ 14,730.321</b>	<b>\$ 3,032.704</b>	<b>\$ 391.477</b>	<b>\$ 11,173.040</b>	<b>\$ 43.946</b>	<b>\$ 55.084</b>	<b>\$ 34.070</b>
<b>FY 2006 Authority</b>	<b>\$ 185,000.000</b>	<b>\$ 35,000.000</b>						

**Credit Subsidy**

<b>Fiscal Year 2006</b>	<b>MMIF</b>	<b>GI/SRIF Total</b>	<b>Section 234</b>	<b>Section 203(k)</b>	<b>GI/SRI Other SF</b>	<b>Title I Property Improvement</b>	<b>Title I Mobile Homes</b>	<b>GI/SRIF Multifamily**</b>
<i>Subsidy Factor</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>N/A</i>	<i>0.0014</i>	<i>Various</i>
Nov	N/A	\$ 0.006	N/A	N/A	N/A	N/A	\$ 0.006	\$ -
Dec	N/A	\$ 0.057	N/A	N/A	N/A	N/A	\$ 0.005	\$ 0.052
Jan	N/A	\$ 1.490	N/A	N/A	N/A	N/A	\$ 0.005	\$ 1.485
Feb	N/A	\$ 0.127	N/A	N/A	N/A	N/A	\$ 0.007	\$ 0.120
Mar	N/A	\$ 0.160	N/A	N/A	N/A	N/A	\$ 0.006	\$ 0.154
Apr	N/A	\$ 0.126	N/A	N/A	N/A	N/A	\$ 0.006	\$ 0.120
May	N/A	\$ 0.068	N/A	N/A	N/A	N/A	\$ 0.007	\$ 0.061
Jun	N/A	\$ 0.009	N/A	N/A	N/A	N/A	\$ 0.009	\$ -
Jul	N/A	\$ -	N/A	N/A	N/A	N/A	\$ -	\$ -
Aug	N/A	\$ -	N/A	N/A	N/A	N/A	\$ -	\$ -
Sep	N/A	\$ -	N/A	N/A	N/A	N/A	\$ -	\$ -
<b>FYTD 2006 Total</b>	<b>N/A</b>	<b>\$ 2.043</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 0.051</b>	<b>\$ 1.992</b>
<b>FY 2005 Total</b>	<b>N/A</b>	<b>\$ 0.571</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 0.095</b>	<b>\$ 0.479</b>
<b>FY 2006 Annualized</b>	<b>N/A</b>	<b>\$ 3.065</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>\$ 0.077</b>	<b>\$ 2.988</b>
<b>FY 2006 Authority</b>	<b>N/A</b>	<b>\$ 18.677</b>						

\* includes HECMs

\*\* includes only those Multifamily programs that are in positive credit subsidy risk categories

## ***Single Family Market Comparisons***

***(Due to a lag in reporting of conventional information, these notes describe data for the previous month)***

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### **Insured Mortgage Applications**

- Total mortgage insurance applications decreased 7 percent through April of this fiscal year compared to the same period in FY 2005.
- Through April of this fiscal year, FHA applications decreased 24 percent; this compares to a 5 percent decrease in conventional mortgage applications, but an 8 percent increase in VA guarantee applications.
- FHA's share of total mortgage insurance applications was 18 percent through April of this fiscal year compared to 22 percent the same period a year ago.

### **Insured Mortgage Endorsements**

- FHA endorsement dollars decreased 20 percent through April of FY 2006 compared to the same period a year ago.
- FHA's share of insured mortgage endorsement dollars is 18 percent through April of FY 2006 compared to 23 percent during the same period in FY2005.
- Through April of this fiscal year, the share of conventional insured dollars is 74 percent and of VA is share is 7 percent.

### **Home Sales Market**

- The number of FHA purchase mortgages decreased 17 percent through April of FY 2006 compared to the same period during FY 2005
- Overall, home sales decreased 0.09 percent through April of this fiscal year compared to the same period in FY 2005.
- FHA's share of home sales was 3.6 percent through April of this fiscal year compared to 4.4 in the same period a year ago.

## Single Family Market Comparisons

(Due to a lag in reporting of conventional information, these data are for the previous month)

Current Month Apr 2006			Current FYTD Oct 2005 - Apr 2006			Prior FYTD Oct 2004 - Apr 2005			Percent Change (Number)	
Number		Application Share	Number		Application Share	Number		Application Share		
INSURED MORTGAGE APPLICATIONS										
Conventional	101,070	54%	837,330		64%	884,449		63%	-5%	
FHA *	73,059	39%	370859		18%	434866		22%	-24%	
VA	14,704 ****	8%	102,924		8%	95,546		7%	8%	
TOTAL	188,833	100%	1,311,113		100%	1,414,861		100%	-7%	
Number	Dollars (\$M)	Insured Share (\$)	Number	Dollars (\$M)	Insured Share (\$)	Number	Dollars (\$M)	Insured Share (\$)	Percent Change (Dollars)	
INSURED MORTGAGE ENDORSEMENTS										
Conventional	95,631	\$13,575.5	68%	805,175	\$122,996.1	74%	827,171	\$114,357.1	69%	8%
FHA	34,420	\$4,517.6	23%	236,964	\$30,029.5	18%	309,861	\$37,509.7	23%	-20%
VA	11,153	\$1,936.8	10%	72,868	\$12,082.9	7%	95,599	\$13,734.2	8%	-12%
TOTAL	141,204	\$20,029.9	100%	1,115,007	\$165,108.5	100%	1,232,631	\$165,601.0	100%	-0.30%
Number		FHA Share	Number		FHA Share	Number		FHA Share	Percent Change (Number)	
HOMES SALES MARKET										
FHA Purchase Mortgages**	24,625	3.7%	172,348		3.6%	206,688		4.4%	-17%	
Home Sales***	667,833		4,739,500			4,743,583			-0.09%	

\* Data for applications are for March 19, 2006 - April 22, 2006 for current month; September 18, 2005 - April 22, 2006 for current FYTD, and September 19, 2004 - April 23, 2005 for prior FYTD.

\*\* FHA insured minus FHA refinancings

\*\*\* Includes new and existing construction home sales and a month lag between home sale and FHA endorsement of mortgage to purchase home.

Note: Dollars represent original amounts insured

\*\*\*\* estimated VA current month applications

# Executive Summary

## Status of FY 2005 Housing Contracts and System Funds

As of May 2006

**Data is not available for publishing**